

No. 12628

IN THE

United States Court of Appeals
FOR THE NINTH CIRCUIT

SUNBEAM FURNITURE CORP., a corporation, ARTHUR M.
LUSTER, MELVIN R. LUSTER and FRIEDA LUSTER,
individuals doing business as SUNBEAM FURNITURE
SALES CO.,

Appellants,

vs.

SUNBEAM CORPORATION, a corporation,

Appellee.

PETITION OF SUNBEAM FURNITURE CORP.,
ET AL., FOR RE-HEARING.

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and

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Come now Sunbeam Furniture Corp., Arthur M. Luster, Melvin R. Luster and Frieda Luster, doing business as Sunbeam Furniture Sales Co., appellants, and present this their petition for a re-hearing of those portions of the above-entitled cause wherein appellants have been held to infringe the trademark "SUNBEAM" by reason of handling decorative lamps on which appears a tag and label of Expert Lamps, Inc., carrying Expert's trademark "SUNBEAM." For their reasons, appellants state as follows:

In a decision dated June 8, 1951, this Court affirmed issuance of an injunction against appellants' sale of lamps bearing the mark "SUNBEAM," which lamps the appellee

lants purchased from Expert Lamps, Inc., of Chicago, not a party to this lawsuit. Such lamps so purchased from the manufacturer, Expert Lamps, Inc., of Chicago, bear a tag showing plainly the name of the manufacturer, Expert Lamps, Inc., accompanied by the trademark "SUNBEAM." The decision is, as to its practical effect, an adjudication of infringement against Expert Lamps, Inc., the manufacturer and user of the mark "SUNBEAM," which was not a party to this litigation. Expert Lamps, Inc., was not represented in this case. There was no defense presented for Expert Lamps, Inc., at the trial of the case. Nevertheless, appellants here, because they trans-ship the merchandise of Expert Lamps, Inc., as they do for other manufacturers, are bound by the effect of that decision. That decision against appellants would continue to bind them even though Expert Lamps might be adjudicated a non-infringer after fair trial in some other jurisdiction.

A. Appellants Are Entitled to Benefit of Defenses Available to Expert Lamps, Inc., Which Has Not Had Its Day in Court.

The trial court and the Court of Appeals both placed reliance on evidence that members of the same family had a proprietary interest in Expert Lamps, Inc., and in Sunbeam Furniture Corp. No legal relationship between the two corporations exists nor was shown. The ownership of the two corporations is not identical. Each is a separate entity under the law.

Expert Lamps, Inc., was initially joined as party-defendant but since the District Court had no jurisdiction of that corporation, the suit against Expert Lamps,

Inc., had to be dismissed. Appellee then took no action to sue Expert Lamps, Inc., in its own jurisdiction in Chicago where both Expert Lamps, Inc., and appellee were long resident.

Expert Lamps, Inc., or its predecessor in business had used the trademark "SUNBEAM" for a great many years contemporaneously with appellee. This record shows twenty-five years use by Expert Lamps, Inc., and appellee's counsel at the hearing before this Court of Appeals discussed use by Expert Lamps, Inc., of the trademark "SUNBEAM" for sixteen years. The defense of laches or equitable estoppel is open to Expert Lamps, Inc., but was not open to appellants here because of their relatively recent handling of the merchandise of Expert Lamps, Inc. At the trial of this case in the lower court, evidence offered by appellants in support of long continued use by Expert Lamps, Inc., was refused admission. Evidence tending to tie together the activities of Expert Lamps, Inc., and appellants here was admitted over strenuous and repeated objections.

Appellants are entitled to have the benefit of all of the defenses including estoppel which are available to Expert Lamps, Inc., and such defenses have not been permitted them.

On February 7, 1951, appellee here filed suit in the Federal Court for trademark infringement against the same Expert Lamps in Chicago, Civil Action No. 51C219. That was subsequent to the bringing of the appeal before this court on May 3, 1950, and the filing of the Appellee's Closing Brief on January 20, 1951. The hearing before this court occurred April 14, 1951. On that occasion counsel for appellee informed the court for the first

time of the existence of the infringement suit in Chicago. Expert Lamps in the Chicago suit had pleaded laches, among other defenses, predicated upon continued and uninterrupted use of the mark "SUNBEAM" since 1934 for decorative table and floor lamps. Appellee's place of business in Chicago is located at 5600 Roosevelt Road. Expert Lamp's place of business in Chicago is located at 3300 South Indiana Avenue. These locations are within a few miles of each other. In all the intervening *sixteen years* until Civil Action No. 51C219 was filed, appellee took no action.

Appellants in this suit, Appeal No. 12628, are entitled to maintain a *status quo* until Expert Lamps in Chicago has had its day in court and has offered its defenses and the courts in that jurisdiction have ruled on the question of infringement by Expert Lamps.

Appellee here is without right to disrupt appellants' business until the charge of infringement has been truly adjudicated. Therefore, that portion of the decision affirming the injunction against appellants' sale of another manufacturer's lamps bearing the term "SUNBEAM" should be stayed. If the Federal Court in Chicago where the *Expert Lamp* case will be tried rules that Expert Lamps has a right to use the term "SUNBEAM" to designate its lamps, then obviously these appellants should be free as wholesalers to handle said merchandise in the same manner that other dealers would be free to handle that merchandise.

The instant suit was predicated on appellants' right to use Sunbeam Furniture Corp. to designate its business as a wholesaler of furniture. That question this court decided in favor of appellants.

The question of whether Expert Lamps, Inc., of Chicago, a manufacturer not a party to this lawsuit, has a right to designate its lamps with the mark "SUNBEAM" was never adjudicated here, nor could it be adjudicated here unless it was a party to this suit. To enjoin appellants from marketing lamps of Expert Lamps, Inc., impliedly holds that Expert Lamps, Inc., has had its day in court, that its defense of sixteen years of continuous uninterrupted use of the term "SUNBEAM" for its lamps is invalid and that whatever other defenses Expert Lamps might plead and prove have been adjudicated adversely before it has had its day in court.

If appellee felt it had a strong case against Expert Lamps of Chicago it would, long before a lapse of sixteen years, have filed suit there. Not until after this appeal was perfected was suit filed against Experts Lamps in Chicago. It would appear that this significant fact would be tantamount to an admission by appellee that Expert Lamps must have a strong defense and *prima facie* has a right to continue the use of the term "SUNBEAM" for lamps after sixteen years of uninterrupted use.

If the courts in Chicago should rule that Expert Lamps has a right to use of the term "SUNBEAM" for lamps, then these appellants (who are merely wholesalers of furniture and products of others) would be under an injunction of this court and would be precluded from handling Expert's merchandise, while other wholesalers in this district would be free to handle said Expert lamps.

If the courts in Chicago should, on the other hand, rule that Expert Lamps has no right to continue the use of "SUNBEAM" for lamps, then obviously Expert

would be under an injunction and no Sunbeam lamps would be manufactured or sold anywhere throughout the United States. This would afford appellee all the relief it needs.

This court should therefore grant a re-hearing as to the propriety of the injunction against the handling of lamps manufactured by Expert Lamps of Chicago, not a party to the suit.

B. The Court of Appeals Here Has Misconstrued Its Previous Ruling in Sunbeam Lighting Company as Applied to the Facts in This Case, Appeal No. 12628.

The *Sunbeam Lighting* case (183 F. 2d 969) concerned two products, one a type of fluorescent fixture purchased from Sunbeam Lighting Company by discriminating purchasers, namely, architects and engineers for commercial installation; the other a portable non-decorative desk lamp. The surveys conducted by Sunbeam Corporation were directed to a showing that the fluorescent fixtures purchased by discriminating purchasers were likely to be confused as to their origin. The likelihood of confusion attributed to portable lamps was held by this court to have arisen by reason of the fact that Sunbeam Lighting Company additionally employed in connection with their sale the word "Master." Sunbeam Corporation also employs the word "Master" in connection with its kitchen appliances.

Decorative lamps in the present appeal are in a different category. The only thing in common is that they can be moved at will. They are purchased by extremely exacting and discriminating purchasers, but survey was

directed to lamps under conditions where no such decorative lamps are ever purchased. In the present case there is no attendant use of some other term such as the term "Master" which might encourage confusion. The fact that the word "SUNBEAM" is displayed prominently is not an act chargeable with confusion because the word "SUNBEAM" is prominently displayed as the trademark of Expert Lamps, Inc., and no one else. The manufacturer's name, Expert Lamps, Inc., is boldly printed on the same label. There is no employment of any special lettering tending to simulate appellee's mark.

No credible instances of confusion were proven in the trial of this case.

Numerous appellee's witnesses have attested to many years of selling both Sunbeam Corporation products and decorative lamps without one instance of confusion. One such instance covered a period of *eighteen years*. There is consequently proof of the fact that there is no likelihood of confusion since no confusion has ever existed. This court therefore is in error in spelling from facts to the contrary a likelihood of confusion as justifying a holding of infringement.

The law applied by this court in the *Sunbeam Lighting* case, where attendant circumstances evidenced likelihood of confusion, does not apply. In that case there was not the lack of confusion proven under comparable circumstances such as has been proven here.

Therefore the decision of this court in our Appeal No. 12628, wherein it sustains the injunction against use of "SUNBEAM" on decorative lamps, is contrary to the basis of its decision with respect to both types of lighting

equipment in the *Sunbeam Lighting* case, and for this court to be consistent, the present decision should be changed.

Moreover, as pointed out in the *Sunbeam Lighting* case and in this case, courts of appeal throughout the United States are substantially in agreement that *weak marks* should not be afforded broad protection and the protection extended into unrelated fields. Recent decisions by this court have brought decisions in the Ninth Circuit further in conformance with the accepted standard of trademark infringement.

In the *Sunbeam Lighting* case these words appear:

“Defendants-appellants have added the words ‘*Sunlite Master*’ to the use of the words ‘Sunbeam Manufacturing Co., Los Angeles, California,’ to their portable fluorescent lamps. Portable lamps are sometimes sold as household utensils are sold and plaintiff has extensively used the word ‘*Master*’ in connection with the word ‘*Sunbeam*’ upon its products.” (Emphasis ours.)

Then follows that portion of the decision predicated upon the facts referred to, namely:

“The judgment is affirmed in so far as it enjoins defendants-appellants from the use of the words ‘*Sunlite Master*’ and ‘*Master*’ in association with the word ‘*Sunbeam*,’ and from the use of the word ‘*Sunbeam*’ by a script resembling or suggestive of the script used by plaintiff-appellee. The judgment is reversed in all other particulars.”

Sunbeam Lighting Co. v. Sunbeam Corporation,
183 F. 2d 969, 971, 974.

In the case here on appeal the facts are different. The portion, therefore, of this decision which still holds the trademark "SUNBEAM" in an unrelated field to be an infringement is not consistent with the other decisions made by this court as well as by other courts of appeal and should be rectified by a reversal of the judgment of the trial court in issuing an injunction against use of "SUNBEAM" on decorative lamps.

For the foregoing reasons it is respectfully urged that this petition for re-hearing be granted and that the judgment of the trial court with respect to the issuance of the injunction be reversed.

Respectfully submitted,

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and

VERNON D. BEEHLER,

Attorneys for Appellants.

HERBERT A. HUEBNER,

Of Counsel.

Certificate of Counsel.

I, Vernon D. Beehler, counsel for Petitioner in the above entitled action, hereby certify that the foregoing petition for rehearing of this cause is presented in good faith and not for delay, and in my opinion is well founded in law and in fact, and proper to be filed herein.

VERNON D. BEEHLER,

Attorney for Petitioner.